(b) if so, whether Government propose any action to curtail or stop piracy and smuggling through its coastline;

(c) if so, the details thereof; and

(d) if not, the reasons therefor?

THE MINISTER OF DEFENCE (SHRI PRANAB MUKHERJEE): (a) and (d) The Government is not aware of any such admission having been made recently by the Chief of the Naval Staff. The Indian Navy and the Indian Coast Guard undertake surveillance and patrolling in coordination with other Government agencies like the Customs and the State police to check piracy, smuggling, illegal immigration and illegal fishing in Indian territorial waters. A scheme has also been formulated for patrolling in the sea close to the coast. The scheme envisages setting up of new coastal police stations and to strengthen the existing coastal police stations in the coastal States and Union Territories. This will supplement the efforts of the Indian Navy and the Coast Guard.

Purchase of Submarines

1689. SHRI S.S. AHLUWALIA: Will the Minister of DEFENCE be pleased to state:

(a) whether Government have entered into agreement with France for purchase of Submarines for the Indian Navy;

(b) if so, the details thereof indicating whether it is outright bilateral agreement or culmination of a competitive bidding process;

(c) if competitive bidding process, details of parties, nature of their respective bids and reasons for their elimination;

(d) if not, the reasons therefor; and

(e) the details of involvement of agents, if any, in the 'pre' and/or 'post' agreement proceeding in India and overseas?

THE MINISTER OF DEFENCE (SHRI PRANAB MUKHERJEE): (a) to (e) Three contracts were signed for the indigenous construction of six French scorpene class submarines at Mazagon Dock Limited (MDL), Mumbai on 6th October, 2005. The contracts were signed with

M/s ARMARIS, France, M/s MBDA, France, and the Defence Public Sector Shipyard, Mazagon Docks Limited, Mumbai.

In 1997, the Government approved construction of two submarines at M/s MDL, Mumbai. Though the requests for proposals were sent to four firms, viz. M/s Thomson CSF, France, VSEL (UK), M/s Kockums (Sweden) and RVZ, Russia, only M/s Thomson CSF, France responded. M/s HDW, Germany was not considered as CBI was investigating certain allegations against the firm. Price negotiations were held with M/s Thomson CSF, France. Thereafter, in April 2001, the Government decided to conduct negotiations only for the indigenous construction of six Scorpene Submarines under Transfer of Technology. Negotiations were held with the vendors and the same were completed in 2002 and the Ministry of Finance approved the Project in December 2002 and May 2003.

The project was re-examined and negotiations were held with the Vendors in 2005. This resulted in a reduction of Rs. 313 crores in the contracts with two French firms from the negotiated position in 2002, besides achieving substantial long term concessions. To ensure transparency, Integrity Pacts were signed by the Ministry of Defence for the first time. The Integrity Pacts signed with two vendors has stringent provisions against the use of unfair means and the employment of any middlemen in the project.

The French Vendor that is transferring technology for the construction of the Submarines and collaborating in the project has denied appointing any agent and all allegations regarding the involvement of middlemen in the project.

Review of recommendations of Sarkaria Commission

1690. SHRI N.R. GOVINDARAJAR:
SHRI C. RAMACHANDRAIAH:

Will the Minister of HOME AFFAIRS be pleased to state:

(a) whether Government propose to review the recommendations of Sarkaria Commission;